

PROPOSALS TO AMEND
SECTIONS OF KRS CHAPTER 324

1. **RE: KRS 324.020 Licensing required—Application of chapter to owner or builder-developer—fee splitting prohibited—Supervision of sales associates—Authority to seek injunctive relief:** Section (4) of this statute is proposed amended to read as follows:

No broker shall split fees with or compensate any person who is not licensed to perform any of the acts regulated by this chapter, except that a broker may pay a referral fee to ~~[compensate or split fees with]~~ a broker licensed outside of Kentucky **for referring a client to the Kentucky broker.** [as revised 02/12/04]
2. **RE: KRS 324.046 Requirements for initial licensure:** Under KRS 324.046(3), an affidavit is required as proof of the academic credit hours that are required under Section (1)(a) of this statute. Section (3) of the statute is proposed amended to require an affidavit as proof of the 2-year experience that is required in Section (1)(b) of the statute.
3. **RE: KRS 324.117 Advertising – Regulation of commission:** Section (4) of this statute is proposed amended to clearly state that whenever real property is listed, all advertisements of the listed property must include the principal broker's name or the real estate company's name, regardless of who places the advertisement.
4. **RE: KRS 324.121 Designation of licensee as exclusive agent—Effect of designation—Availability of dual agency:**
 - a. Section (1) of this statute is proposed amended to clearly state that the principal broker may not designate himself or herself as a designated agent.
 - b. KRS 324.121 is also proposed amended to state that confidential information relating to a client must be kept in an individual file maintained by the principal broker and that such information shall not be kept in an individual file maintained by either of the designated agents.
5. **RE: KRS 324.150 Investigation of licensee – Suspension or revocation of license:** The title is proposed amended to delete the reference to “suspension or revocation of license”, because it does not mention either, specifically. The statute does, however, mention the Commission's authority to order a hearing and to take disciplinary action against licensees. It could, therefore, be amended to address these subjects.
6. **RE: KRS 324.151 Complaints—Answers—Hearing before commission:** The title is proposed amended to delete the reference to “hearing before commission”, because the statute does not relate to this subject.

7. **RE: KRS 324.160 Grounds for suspension or revocation of license, issuance of reprimand, levying of fines or requiring further academic study:** Section (5) of this statute is proposed amended to prohibit “any conduct constituting a violation of the federal Fair Housing Act”, which does not limit the protected classes to those listed in KRS 324.160(5)—race, color, creed, sex, and national origin. The federal Fair Housing Act, unlike KRS 324.160(5), also prohibits discrimination against persons based upon familial status and disability.
8. **RE: KRS 324.165 Prohibited business practices—penalties:** This statute is proposed amended to replace the incorrect citation in Section (3) of the statute (*i.e.*, KRS 324.160(4)(w)) with the correct citation (*i.e.*, KRS 324.160(4)(v)).
9. **RE: KRS 324.330 Notice of change of location, firm name, surname, or associate—New license:** Section (2) of the statute is proposed amended to read as follows: The commission shall be notified in writing of a change of residence address within ten (10) days.
10. **RE: KRS 324.395 Errors and omissions insurance mandatory for all licensees:** Section (7) of this statute is proposed amended to read as follows:

If the commission is unable to obtain errors and omissions insurance coverage to insure all licensees who choose to participate in the group insurance program at a reasonable premium, not to exceed two hundred dollars (\$200) [~~one hundred twenty-five dollars (\$125)~~], the insurance requirement mandated by this section shall be void during the applicable contract year. [as revised 02/19/04]
11. **RE: KRS 324.990 Penalties:** This statute is proposed amended to make unlicensed real estate brokerage a Class D felony, tracking KRS Chapter 500 penalties in cases involving unlicensed real estate brokerage; but, including in the amended statute an exclusion in certain situations involving failure to renew a license.

PROPOSALS TO CREATE NEW SECTIONS OF KRS 324

1. **RE: KRS 324.112 Broker to manage certain branch offices—Qualified sales associate may manage certain branch offices—Filing of licenses:** Proposed creation of a new section of this statute to require registration with the Commission of branch offices within ten (10) days of their creation.
2. **Re: KRS Chapter 324:** Proposed creation of a new statute to expressly authorize the Commission to conduct general investigations of its licensees, in addition to the express authority it has under KRS 324.111(5) to conduct audits of its licensees.

